	Action	Item	2
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PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA COMMISSION DIRECTIVE

ADMINISTRATIVE MATTER		DATE	May 29, 2019
MOTOR CARRIER MATTER		DOCKET NO.	2019-159-E
UTILITIES MATTER	✓	ORDER NO.	2019-393

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

<u>DOCKET NO. 2019-159-E</u> - <u>Dominion Energy South Carolina, Incorporated - Request to Expand Turbine Maintenance Accrual to Include Columbia Energy Center</u> - Staff Presents for Commission Consideration Dominion Energy South Carolina, Incorporated's Request to Expand Turbine Maintenance Accrual to Include Columbia Energy Center.

COMMISSION ACTION:

By Order No. 2017-447 (July 12, 2017), we granted the request of South Carolina Electric & Gas Company, now Dominion Energy South Carolina, Inc., to continue its turbine maintenance accrual until December 31, 2025. As part of its turbine maintenance accrual, DESC includes major operation and maintenance expenses incurred at the Wateree, Williams, McMeekin, Cope, Urguhart, and Jasper electric generating stations.

Dominion now seeks authorization to expand its turbine maintenance accrual to include the major operation and maintenance expenses incurred at the Columbia Energy Center, a 540-megawatt combined-cycle gas fired electric generating facility.

As background, by Order Nos. 2005-2 and 2010-471, the Commission approved a levelized annual amount for turbine and generator maintenance expense in the Company's base rates. The Company must record the difference between the levelized amount and the actual amount of turbine maintenance expense incurred. At the time of these approvals, SCE&G did not own the Columbia Energy Center, which it was authorized to acquire by Order No. 2018-272 on May 2, 2018.

In support of its request, Dominion states that regularly scheduled turbine and generator maintenance is critical to maintaining the reliability of DESC's coal and natural gas-fired combined cycle generation fleet and preventing destructive and expensive failures in the turbines that power these units. DESC relies heavily upon these assets to produce electricity.

The addition of the Columbia Energy Center facility to DESC's turbine and generator maintenance accrual will not cause the Company to request an adjustment to the levelized accrual amount in base rates at this time. Further, any modification to the Commission-approved amount of the turbine and generator maintenance accrual will be addressed in the Company's next general base rate proceeding. The request will not involve a change to any of DESC's retail rates or prices, or require any change in any Commission rule, regulation or policy.

The Office of Regulatory Staff recommends approval.

After review, I move that we approve the request.

PRESIDING:	<u>Randall</u>				SESSIO	N: <u>Rec</u>	<u>ıular</u>		TIME:	2:0	0 p.m	١.
	MOTION	YES	NO	OTHER								
BELSER		✓										
ERVIN		✓										
HAMILTON		✓										
HOWARD		✓										
RANDALL		✓										
WHITFIELD	✓	✓										
WILLIAMS		✓										
(SEAL)							RECC	JBDEL	n BV+ 1	Sch	mied	ina

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